



Health Services
LOS ANGELES COUNTY

May 8, 2007

Los Angeles County
Board of Supervisors

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*To improve health
through leadership,
service and education.*



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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn of Administration
500 West Temple
Los Angeles, California 90012

**APPROVAL OF FIVE AMENDMENTS FOR MAGNETIC RESONANCE
IMAGING SERVICES WITH INSIGHT HEALTH CORP.**

(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize and instruct the Director of Health Services, or his designee, to sign five amendments (Exhibits I through V) with Insight Health Corp. (Insight) for the continued provision of magnetic resonance imaging (MRI) services at Harbor-UCLA (Harbor), LAC+USC (LAC+USC), and Olive View-UCLA (OVMC) Medical Centers, Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), and Rancho Los Amigos National Rehabilitation Center (Rancho), to extend the contract terms on a month-to-month basis, effective July 1, 2007 through March 31, 2008, at a total cost of \$10,647,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign five amendments for the continued provision of MRI patient care services at Harbor, MLK-Harbor, LAC+USC, OVMC and Rancho while the Department of Health Services (DHS or Department) completes the Request for Information (RFI) competitive selection process.

FISCAL IMPACT/FINANCING:

The estimated total maximum County obligation for the five Amendments is \$10,647,000, consisting of \$3,600,000 for Contract No. 58260 (Harbor), \$900,000 for Contract No. H-203002 (MLK-Harbor), \$4,500,000 for Contract No. 58266 (LAC+USC), \$992,250 for Contract No. H-203001 (OVMC) and \$654,750 for Contract No. H200969 (Rancho), effective July 1, 2007 through March 31, 2008.

Funding for these amendments is included in the Department's Fiscal Year 2007-08 Proposed Budget.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS:

For 20 years, Insight as a sole source provider has provided the MRI services at Harbor, MLK-Harbor, OVMC, Rancho, and LAC+USC. Insight has provided the construction of the modular buildings and space at each of the facilities, equipment installation and maintenance, and overall management of day-to-day MRI operations.

On August 17, 2004, the Board approved an amendment to extend the termination date of LAC+USC to June 30, 2009, and the addition of emergency MRI coverage for after normal business hours. Subsequently, the Department determined that the termination date for LAC+USC should be aligned with the other four agreements.

On May 10, 2005, the Board approved amendments for Harbor, MLK-Harbor, OVMC and Rancho to extend the expiration date to June 30, 2006, to allow the Department additional time to complete the RFI for MRI services.

On June 13, 2006, the Board approved the amendments for MRI services at Harbor, MLK-Harbor, OVMC and Rancho to extend the term of the agreements through June 30, 2007, and revised the Billing and Payment schedule, to lower the procedure rates for MRI scans.

All of the Amendments, including LAC+USC, will be effective July 1, 2007 through March 31, 2008 on a month-to-month basis and include a provision to terminate without cause with a 30-day written notice from the County. LAC+USC's contract term is being extended since the Replacement Hospital, where MRI services will be provided in-house, is not yet scheduled for occupancy. The Department is extending the current agreements to provide a continuum of patient services without disruption or a gap in service.

Attachment A provides additional information. County Counsel has approved Exhibits I, II, III, IV and V as to use and form.

CONTRACTING PROCESS:

The Department released a RFI on December 1, 2006, to select a contractor to provide MRI services at four facilities with enhanced technology scanners, the construction or remodel of modular buildings and clinical operations at each facility. Two proposals were submitted to the Department in response to the RFI. The Department is in the evaluation phase and will start negotiations with the recommended contractor in early May 2007. The current agreements with Insight will expire on June 30, 2007, and the Department will require continued MRI services with Insight to meet the patient care needs, pending completion of the solicitation process.

LAC+USC is not part of the RFI because the facility will be providing its own MRI services within the new medical center.

The Department is finalizing the solicitation process. Contract negotiations will commence after the selection process is completed.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the amendments will ensure that all necessary MRI diagnostic and therapeutic services are provided with continuity of care to County patients.

The Honorable Board of Supervisors
May 8, 2007
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When approved, the Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Chernof", written over the printed name.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:kke
Insight 5 amendments.KE.wpd

Attachments (6)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(Magnetic Resonance Imaging)

1. TYPE OF SERVICE:

Insight Health Corp. will provide magnetic resonance imaging services at Harbor-UCLA, LAC+USC, and Olive View-UCLA Medical Centers, Martin Luther King, Jr.-Harbor Hospital, and Rancho Los Amigos National Rehabilitation Center.

2. AGENCY ADDRESS AND CONTACT PERSON:

Suzanne Martin
Insight Health Corp.
262 Enterprise Court, Suite 100
Lake Forest, CA 92630
Telephone: 949-282-6153
smartin@insighthealth.com

3. TERM OF AGREEMENT:

Effective on July 1, 2007 through March 31, 2008.

4. FINANCIAL INFORMATION:

The total estimated maximum County obligation of the proposed Amendment is \$10,647,000, effective July 1, 2007 through March 31, 2008.

5. GEOGRAPHIC AREA TO BE SERVED:

All Districts

6. ACCOUNTABLE FOR MONITORING:

7. APPROVALS

Harbor-UCLA Medical Center & Martin Luther King, Jr.-Harbor Hospital:	Miguel Ortiz-Marroquin, Acting CEO
Rancho Los Amigos National Rehabilitation Center:	Jorge Orozco, Acting CEO
Olive View-UCLA Medical Center	Gretchen McGinley, Acting CEO
LAC+USC Medical Center	Pete Delgado, CEO
Contracts and Grants:	Cara O'Neill
County Counsel (approval as to use):	Christina Salseda, Senior Deputy

**HARBOR-UCLA DIAGNOSTIC IMAGING CENTER OPERATING
AND AFFILIATION AGREEMENT
AMENDMENT NO. 5**

THIS AMENDMENT is made and entered into this _____ day of
_____, 2007,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

INSIGHT HEALTH CORP. (hereafter
"Contractor"),

and

HARBOR-UCLA MEDICAL
FOUNDATION, INC., on behalf of the
UCLA School of Medicine Radiology
Faculty (hereafter "Medical Group").

WHEREAS, reference is made to that certain document entitled "HARBOR-
UCLA DIAGNOSTIC IMAGING CENTER OPERATING AND AFFILIATION
AGREEMENT", dated December 29, 1987, and further identified as County Agreement
No. 58260 and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, the Harbor-UCLA Medical Center shall retain professional and
administrative responsibility for the services provided under this Agreement.

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties:

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2007 on a month-to-month
basis through March 31, 2008.

2. The term of this Agreement is hereby amended to terminate on March 31,
2008, unless sooner terminated. Notwithstanding any other Termination provisions in

this Agreement, County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services

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Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By *White C Hill*
Contractor
 Mitch C. Hill
Printed Name
Title CFO
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____
Christina A. Salseda, Senior Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Division Chief
Contracts and Grants

Kke\King/Monday, April 23, 2007

**MARTIN LUTHER KING, JR. /HARBOR HOSPITAL
MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT**

AMENDMENT NO. 9

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
 "County"),

and INSIGHT HEALTH CORP.
 (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and
further identified as County Agreement No. H-203002 and any amendments thereto (all
hereafter "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the Martin Luther King, Jr./Harbor Hospital (hereafter "Hospital")
shall retain professional and administrative responsibility for the services provided under
this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2007 on a month-to-month
basis through March 31, 2008.

2. The term of this Agreement is hereby amended to terminate on March 31, 2008, unless sooner terminated. Notwithstanding any other Termination provisions in this Agreement, County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of

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and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Mitch C. Hill
Contractor

Mitch C. Hill
Printed Name

Title CEO
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF COUNTY COUNSEL

County Counsel

By _____
Christina A. Salseda, Senior Deputy

HARBOR-UCLA MEDICAL FOUNDATION, INC.

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Signature

Printed Name

By _____
Cara O'Neill, Chief
Contracts and Grants

Title _____

Kke\HUCLA/Monday, April 23, 2007

**OLIVE VIEW-UCLA MEDICAL CENTER
MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT**

AMENDMENT NO. 9

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
 "County"),

and INSIGHT HEALTH CORP.
 (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC
RESONANCE IMAGING SERVICES AGREEMENT", dated January 14, 1994, and
further identified as County Agreement No. H-203002 and any amendments thereto (all
hereafter "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the Olive View-UCLA Medical Center (hereafter "Medical Center")
shall retain professional and administrative responsibility for the services provided under
this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2007 on a month-to-month
basis through March 31, 2008.
2. The term of this Agreement is hereby amended to terminate on March 31,
2008, unless sooner terminated. Notwithstanding any other Termination provisions in

this Agreement, County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of

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Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By Mitch C. Hill
Contractor

Mitch C. Hill
Printed Name

Title CFO
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____
Christina A. Salseda, Senior Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Division Chief
Contracts and Grants

Kke\Olive View/Monday, April 23, 2007

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER
MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT

AMENDMENT NO. 8

THIS AMENDMENT is made and entered into this _____ day
of _____, 2007,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),
and INSIGHT HEALTH CORP.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "MAGNETIC
RESONANCE IMAGING SERVICES AGREEMENT", dated May 11, 1992, and further
identified as County Agreement No. H-200969 and any amendments thereto (all
hereafter "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

WHEREAS, the Medical Center shall retain professional and administrative
responsibility for the services provided under this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2007 on a month-to-month basis
through March 31, 2008.
2. The term of this Agreement is hereby amended to terminate on March 31, 2008,
unless sooner terminated. Notwithstanding any other Termination provisions in this
Agreement, County may terminate this Agreement with a thirty (30) day written advance

notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

4. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of

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Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By *Mitch C. Hill*
Contractor

Mitch C. Hill
Printed Name

Title CFO
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

County Counsel

By _____
Christina A. Salseda, Senior Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Division Chief
Contracts and Grants

Kke\Rancho/Monday, April 23, 2007

**LAC+USC IMAGING SCIENCE CENTER OPERATING
AND AFFILIATION AGREEMENT
AMENDMENT NO. 4**

THIS AMENDMENT is made and entered into this _____
day of _____, 2007,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	INSIGHT HEALTH CORP. (hereafter "Contractor")
and	UNIVERSITY OF SOUTHERN CALIFORNIA IMAGING ASSOCIATES, INC. (hereafter "Medical Group").

WHEREAS, reference is made to that certain document entitled
"LAC+USC IMAGING SCIENCE CENTER OPERATING AND AFFILIATION
AGREEMENT", dated December 29, 1987, and further identified as County
Agreement No. 58266 and any amendments thereto (all hereafter "Agreement");
and

WHEREAS, the LAC+USC Healthcare Network and Medical Group shall
retain professional and administrative responsibility for the services provided
under this Agreement.

WHEREAS, said Agreement provides that changes may be made in the
form of a written amendment which is formally approved and executed by the
parties:

NOW, THEREFORE, the parties hereby agree as follows:

1. That Agreement, Paragraph 1, TERM, shall be amended to read as follows:

2. This Amendment shall become effective July 1, 2007 on a month-to-month basis through March 31, 2008.

3. The term of this Agreement is hereby amended to terminate on March 31, 2008, unless sooner terminated. Notwithstanding any other Termination provisions in this Agreement, County may terminate this Agreement with a thirty (30) day written advance notice to Contractor, without cause, in whole or in part, as determined by Director or his/her designee.

4. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

INSIGHT HEALTH CORP.

By _____
Contractor

Printed Name

Title
CFO
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF COUNTY COUNSEL

By _____
Christina A. Salseda, Senior Deputy

University of Southern California
Imaging Associates, Inc.

APPROVED AS TO CONTRACT
ADMINISTRATION:

By _____
Signature

Department of Health Services

By _____ Title _____
Cara O'Neill, Chief
Contracts and Grants

Kke\LAC+USC\04:3613 Monday, April 23, 2007